

Message Text

UNCLASSIFIED

PAGE 01 ISLAMA 07898 271142Z

43

ACTION EB-07

INFO OCT-01 NEA-10 ISO-00 SP-02 AID-05 NSC-05 CIEP-02

TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00 COME-00

FRB-01 INR-07 NSAE-00 USIA-15 XMB-04 OPIC-06 LAB-04

SIL-01 L-03 H-02 PA-02 PRS-01 EUR-12 /111 W

----- 098321

R 270852Z AUG 75

FM AMEMBASSY ISLAMABAD

TO SECSTATE WASHDC 1763

INFO AMEMBASSY DACCA

AMEMBASSY ROME

UNCLAS ISLAMABAD 7898

E.O. 11652: N/A

TAGS: EFIN, EAID, PK

SUB: PAKISTAN-ITALY DEBT RESCHEDULING AGREEMENT

1. PAKISTAN AND ITALY LAST WEEK SIGNED AN AGREEMENT RESCHEDULING THAT PORTION OF PAKISTAN'S DEBT TO ITALY WHICH MATURES DURING FY 1975. UNDER THE AGREEMENT, 71 PERCENT OF THE FY 1975 MATURITIES, AMOUNTING TO 9.6 BILLION LIRE (\$14.8 MILLION), WILL BE RESCHEDULED OVER A 30 YEAR PERIOD, WITH TEN YEARS' GRACE, AT 2.5 PERCENT INTEREST. THE FIRST INSTALLMENT OF PRINCIPAL WILL THUS COME DUE IN 1985. THIS AMOUNTS TO A GRANT ELEMENT 62.48 PERCENT.

2. THE RESCHEDULED CREDITS INCLUDE BOTH CREDITS ORIGINALLY SCHEDULED TO FALL DUE DURING 1974/75 AND REPAYMENTS WHICH WERE TO BE MADE DURING THIS PERIOD UNDER THE EARLIER SHORT-TERM RESCHEDULING. CREDITS WITH ORIGINAL MATURITIES OF LESS THAN 180 DAYS ARE EXCLUDED FROM THE RESCHEDULING AGREEMENT.

3. ITALIAN EMBASSY OFFICER SAYS THAT WORK HAS BEGUN
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 ISLAMA 07898 271142Z

ON A SIMILAR RESCHEDULING FOR PAYMENTS FALLING DUE

DURING FY 1976. HE EXPECTS THAT THIS RESCHEDULING
WILL BE ON ESSENTIALLY THE SAME TERMS (2.5 PERCENT
INTEREST, 30 YEARS WITH 10 YEARS GRACE), AND ABOUT
71 PERCENT OF MATURITIES BEING RESCHEDULED). HE WAS
UNABLE TO SAY HOW MUCH MONEY WAS LIKELY TO BE INVOLVED,
HOWEVER, BECAUSE THIS WILL DEPEND IN PART ON RESOLUTION
OF SOME OUTSTANDING DEBT DIVISION PROBLEMS BETWEEN
PAKISTAN AND BANGLADESH.
BYROADE

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGREEMENTS, CREDIT, DEBT REPAYMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 27 AUG 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975ISLAMA07898
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750296-0899
From: ISLAMABAD
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750814/aaaaamae.tel
Line Count: 70
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ellisoob
Review Comment: n/a
Review Content Flags:
Review Date: 14 FEB 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <14 FEB 2003 by ReddocGW>; APPROVED <22 JAN 2004 by ellisoob>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PAKISTAN-ITALY DEBT RESCHEDULING AGREEMENT
TAGS: EFIN, EAID, PK, IT
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006